

Full Cost Decision Memorandum: Civil Service Salaries/Benefits (WF-03)

Issue:

How are civil service salaries/benefits managed?

Source / reference:

LaRC Full Cost Implementation team (2003-2004)
LaRC Office of Human Resources (OHR)
LaRC Office of the Chief Financial Officer (OCFO)

Background:

The actual salaries costs for employee time and attendance charges are derived based on the actual costs of individual employees. However, the fringe benefit costs are charged on a standard rate that includes various elements noted below. During the planning process, the salary and fringe benefit rate are combined and planned as an organizational average to plan employees against projects/activities.

Leave and Fringe Benefit Components:

\$\$ Thrift Savings – Center Match	\$\$ Retirement - CSRS & FERS
\$\$ Workman’s Compensation	\$\$ Lump Sum - payoff
\$\$ Health & Life Insurance – Center Match	\$\$ Leave (Annual, Credit, Comp, SL, etc and paid holidays)
\$\$ HIT – Health Insurance Tax	
The Fringe Rate = Leave and fringe total / total estimated salaries (currently approximately 43%)	

Options:

1. Follow established NASA funds control processes and full cost principles described below

Decision:

Overall civil service salaries/benefits are managed by Office of Chief Financial Officer (OCFO) and paid for by benefiting projects/activities. Per Agency direction, the labor fund center is used to reserve funds for salaries/benefits from each project to pay for direct workforce. Likewise, funds salaries/benefits for Center General & Administrative (G&A), Corporate G&A, and service pools are pulled from the respective accounts and reserved in the labor fund center. Then as labor charges are made to given accounts these costs are paid by the labor fund center. In that regard, the salary cost of personnel is based on the actual cost of employees, while the benefit cost is based on a standard rate. Periodic reviews will be completed at the program/project level to align funding with actual labor charges.

Approved by LaRC CFO (Ken Winter) 10/17/03
